



FX DAILY DOSSIER

March 17, 2023

Major Currencies Pairs

Currency	Value	Change	Net Change
EUR-USD	1.0634	0.0022	0.21%
USD-JPY	133.22	-0.53	-0.39%
GBP-USD	1.2134	0.0024	0.20%
US Dollar Index	104.2	-0.21	-0.20%

INR Currencies pairs

Currency	Value	1 Week	Net Change
\$ USD-INR	82.8500	0.7525	0.91%
€ EUR-INR	87.9725	1.0525	1.20%
£ GBP-INR	99.7700	2.0350	2.04%
¥ JPY-INR	62.4775	1.9625	3.14%

Major Asian Equities

INDEX	Value	Change	Net Change
Asia Dow	3,252.44	32.16	1.00%
Nikkei 225	27,193.70	183.09	0.68%
Hang Seng	19,457.56	253.65	1.32%
Shanghai	3,249.10	22.21	0.69%
Sensex	57,634.84	78.94	0.14%
Singapore	3,174.46	18.92	0.60%

Major Future Contracts

Future Contracts	Value	Change	Net Change
DJIAFUT	32,452	-32	-0.10%
S&P FUT	3,991.25	-3.25	-0.08%
NASDAQ FUT	12,708.50	-7	-0.06%
Gold	1,931.10	8.1	0.42%
Silver	21.985	0.293	1.35%
Crude Oil	68.8	0.45	0.66%

ANALYSIS

Short term liquidity or long term Pain :

A dramatic shift took place in the US banking space where biggies stepped-up to reduce the small ships which are about to sink. Yesterday First Republic Bank got support from the big banks with a cash flood of \$30 billion to warrant the panic in the market.

Accordingly, banks borrowed from the Fed to the tune of \$303 billion in this week or precisely this \$303 billion assets added in Fed's balance sheet which includes \$148.3 billion through net discount window borrowing (a short-term borrowing program banks can use for quick funds)

which is at an all time high.

What is the difference between now and then the financial crisis?

As mentioned in WSJ - "In 1998, the hedge fund Long-Term Capital Management suffered steep losses, and most of the biggest banks agreed to bail it out for fear of their own exposures. In 2008, their chief executives tried a similar approach to bail out Lehman Brothers but failed to reach an agreement."

What are the FOMC expectations from the present scenario.

Apparently the dynamics of the bond market is changing frequently with 89.00% probability favouring a 25 bps hike at next week FOMC meeting while hardly 10.00% pricing for unchanged. Although there is enough scope to change the probabilities before FOMC as we will go for a pause as well.

LEVELS FOR THE DAY

Currency	Day's Trend	S3	S2	S1	Pivot	R1	R2	R3
\$ USD-INR	SIDEWAYS	82.4900	82.5700	82.7100	82.7900	82.9300	83.0100	83.1500
€ EUR-INR	SIDEWAYS	87.2117	87.4558	87.7142	87.9583	88.2167	88.4608	88.7192
£ GBP-INR	SIDEWAYS TO POSITIVE	99.0758	99.3867	99.5783	99.8892	100.0808	100.3917	100.5833
¥ JPY-INR	SIDEWAYS	61.8617	62.0108	62.2442	62.3933	62.6267	62.7758	63.0092



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Economic Data

IST	Currency	EVENT	Forecast	Previous	SMC Forecast	SMC
3:30 PM	EUR	Inflation Rate YoY Final FEB	8.60%	8.50%	8.50%	Positive for EUR
6:45 PM	USD	Industrial Production YoY FEB	0.80%	0.20%	0.20%	Negative for USD
6:45 PM	USD	Industrial Production MoM FEB	0%	0.20%	0.30%	Neutral for USD
7:30 PM	USD	Michigan Consumer Sentiment Prel MAR	67	67	68	Neutral for USD

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