



FX DAILY DOSSIER

May 10, 2023

Major Currencies Pairs

Currency	Value	Change	Net Change
EUR-USD	1.0976	0.14%	0.13%
USD-JPY	135.18	-6.00%	-0.05%
GBP-USD	1.2627	0.06%	0.05%
US Dollar Index	101.56	-4.00%	-0.04%

INR Currencies pairs

Currency	Value	1 Week	Net Change
\$ USD-INR	82.1225	0.2250	0.27%
€ EUR-INR	90.2000	-0.2200	-0.24%
£ GBP-INR	103.5575	1.1400	1.10%
¥ JPY-INR	61.1225	0.4625	0.76%

Major Asian Equities

INDEX	Value	Change	Net Change
Asia Dow	3,384.44	-17.61	-0.52%
Nikkei 225	29,113.33	-129.49	-0.44%
Hang Seng	19,738.59	-128.99	-0.65%
Shanghai	3,325.96	-31.71	-0.94%
Sensex	61,761.33	-2.92	0.00%
Singapore	3,245.71	2.76	0.09%

Major Future Contracts

Future Contracts	Value	Change	Net Change
DJIAFUT	33,662.00	25	0.07%
S&PFUT	4,138.50	4.50	0.11%
NASDAQFUT	13,271.50	6.75	0.05%
Gold	2,038.70	-4.20	-0.21%
Silver	25.83	-0.07	-0.26%
Crude Oil	73.12	-0.59	-0.80%

ANALYSIS

Brief Insights of US Debt Ceiling:

The federal government is nearing its borrowing limit of \$31.4 trillion, prompting the implementation of extraordinary measures. Disagreements between Democrats and Republicans over the debt ceiling and federal spending have raised concerns of a possible default. Democrats want the limit raised with no conditions, while Republicans demand spending cuts.

What is debt limit?

The debt limit is the maximum amount of money that the government is allowed to borrow. When the government reaches this limit, Congress needs to decide whether to increase the limit or suspend it so that the government can borrow more money. As the U.S. government spends more money than it takes in each year, the debt limit needs to be regularly reviewed and adjusted.

Deadline -

The U.S. government may not be able to pay all of its bills on time starting from June 1st if Congress doesn't raise the debt limit. Treasury Secretary Janet Yellen said that the situation is still uncertain, but they may be able to pay bills for a few more weeks after June 1st.

What if US Government failed to reach a deal ?

If the U.S. government can't borrow money to pay its bills, it would have to suspend pensions, cut soldier and worker pay, or delay interest payments, which would be considered a default. This could cause a deep selloff in Treasuries and broader financial chaos, hurting the U.S. economy. In 2011, the U.S. lost its triple-A credit rating for the first time due to similar circumstances.

Any alternative plan -

The Biden administration is considering using the 14th Amendment to issue debt, which could potentially bypass the need for Congress to raise the debt ceiling. However, administration lawyers are skeptical and it's not seen as a quick solution if talks fail.

LEVELS FOR THE DAY

Currency	Day's Trend	S3	S2	S1	Pivot	R1	R2	R3
\$ USD-INR	SIDEWAYS TO POSITIVE	81.5350	81.6925	81.9075	82.0650	82.2800	82.4375	82.6525
€ EUR-INR	SIDEWAYS TO POSITIVE	89.7558	89.8967	90.0483	90.1892	90.3408	90.4817	90.6333
£ GBP-INR	SIDEWAYS	102.8925	103.0725	103.3150	103.4950	103.7375	103.9175	104.1600
¥ JPY-INR	SIDEWAYS TO NEGATIVE	60.5883	60.7192	60.9208	61.0517	61.2533	61.3842	61.5858



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Economic Data						
IST	Currency	EVENT	Previous	Forecast	SMC Forecast	Impact
6:00 PM	USD	Inflation Rate MoMAPR	0.10%	0.004	0.30%	Negative for USD
6:00 PM	USD	Inflation Rate YoYAPR	5.00%	5.00%	0.049	Neutral for USD
6:00 PM	USD	Core Inflation Rate YoYAPR	0.056	0.055	0.056	Neutral for USD
6:00 PM	USD	Core Inflation Rate MoMAPR	0.004	0.40%	0.003	Neutral for USD

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