



FX DAILY DOSSIER

May 19, 2023

Major Currencies Pairs

Currency	Value	Change	Net Change
EUR-USD	1.08	-0.0001	-0.01%
USD-JPY	138.47	-0.24	-0.17%
GBP-USD	1.24	-0.0005	-0.04%
US Dollar Index	103.56	-0.03	-0.03%

INR Currencies pairs

Currency	Value	1 Week	Net Change
\$ USD-INR	82.5975	0.4525	0.55%
€ EUR-INR	89.3525	-0.4700	-0.53%
£ GBP-INR	102.6900	-0.7625	-0.74%
¥ JPY-INR	60.0600	-1.2800	-2.13%

Major Asian Equities

INDEX	Value	Change	Net Change
Asia Dow	3,445.70	13.3	0.39%
Nikkei 225	30,892.47	318.54	1.04%
Hang Seng	19,463.55	-263.7	-1.34%
Shanghai	3,281.57	-15.75	-0.48%
Sensex	61,431.74	-128.9	-0.21%
Singapore	3,202.24	19.69	0.62%

Major Future Contracts

Future Contracts	Value	Change	Net Change
DJIAFUT	33,654.00	36	0.11%
S&PFUT	4,220.75	8.75	0.21%
NASDAQFUT	13,938.00	44	0.32%
Gold	1,961.70	1.9	0.10%
Silver	23.7	0.067	0.28%
Crude Oil	72.31	0.45	0.63%

ANALYSIS

The Indian Rupee hit an 8-week low of 82.55 against the USD, raising questions about the future of the currency pair.

However, the Rupee is relatively less vulnerable to a potential US government default due to its modest holdings of US Treasury securities compared to Japan and China. India's external debt-to-GDP ratio is also lower than the average for emerging markets, reducing risks from a default.

The Federal Reserve is unlikely to raise interest rates in June, and the market will gradually assess the differing degrees to which central banks pause their aggressive policies. Apparently probability of 25 bps hike in June inched higher since last week.

With strong fundamentals from the external imbalances to capital flows side, the Rupee is expected to appreciate to 81.70 in the coming weeks, with potential intervention by the RBI limiting any significant decline towards 83.00. On flip side if RBI allowed rupee to slide below 83.00/\$, then we can expect a new life time low in the rupee which is the least case for the time being.

LEVELS FOR THE DAY

Currency	Day's Trend	S3	S2	S1	Pivot	R1	R2	R3
\$ USD-INR	SIDEWAYS TO POSITIVE	82.1083	82.2392	82.4183	82.5492	82.7283	82.8592	83.0383
€ EUR-INR	SIDEWAYS TO NEGATIVE	89.0642	89.1808	89.2667	89.3833	89.4692	89.5858	89.6717
£ GBP-INR	SIDEWAYS	102.2517	102.4483	102.5692	102.7658	102.8867	103.0833	103.2042
¥ JPY-INR	SIDEWAYS TO NEGATIVE	59.5783	59.7867	59.9233	60.1317	60.2683	60.4767	60.6133



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Economic Data						
IST	Currency	EVENT	Previous	Forecast	SMC Forecast	Impact
6:15 PM	USD	Fed Williams Speech	-	-	-	Neutral for USD
6:30 PM	USD	Fed Bowman Speech	-	-	-	Neutral for USD
8:25 PM	EUR	ECB Schnabel Speech	-	-	-	Neutral for EUR
8:30 PM	USD	Fed Chair Powell Speech	-	-	-	Neutral for USD

Currency Research Team

Arnob Biswas - Fundamental Analyst
 arnobbiswas@smcindiaonline.com

Tapish Pandey - Technical Analyst
 tapishpandey@smcindiaonline.com

E-mail: smc.care@smcindiaonline.com



Corporate Office:
 11/6B, Shanti Chamber,
 Pusa Road, New Delhi - 110005
 Tel: +91-11-30111000
 www.smcindiaonline.com

Mumbai Office:
 Lotus Corporate Park, A Wing 401/402, 4th Floor,
 Graham Firth Steel Compound, Off Western
 Express Highway, Jay Coach Signal, Goreagon
 (East) Mumbai - 400063
 Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
 18, Rabindra Sarani, Poddar Court, Gate No-4,
 5th Floor, Kolkata - 700001
 Tel.: 033 6612 7000/033 4058 7000
 Fax: 033 6612 7004/033 4058 7004

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