



FX DAILY DOSSIER

May 23, 2023

Major Currencies Pairs

Currency	Value	Change	Net Change
EUR-USD	1.0808	-0.0005	-0.05%
USD-JPY	138.67	0.07	0.05%
GBP-USD	1.2435	-0.0003	-0.02%
US Dollar Index	103.26	0.06	0.06%

INR Currencies pairs

Currency	Value	1 Week	Net Change
\$ USD-INR	82.8675	0.7225	0.87%
€ EUR-INR	89.6825	-0.1400	-0.16%
£ GBP-INR	103.1850	-0.2675	-0.26%
¥ JPY-INR	60.1325	-1.2075	-2.01%

Major Asian Equities

INDEX	Value	Change	Net Change
Asia Dow	3,472.48	15.42	0.45%
Nikkei 225	31,332.38	245.56	0.79%
Hang Seng	19,713.46	35.29	0.18%
Shanghai	3,296.47	12.93	0.39%
Sensex	61,963.68	234	0.38%
Singapore	3,223.37	12.28	0.38%

Major Future Contracts

Future Contracts	Value	Change	Net Change
DJIAFUT	33,456	96	0.29%
S&P FUT	4,218.75	13.75	0.33%
NASDAQ FUT	13,949.00	46.5	0.33%
Gold	1,967.00	-10.2	-0.52%
Silver	23.75	-0.111	-0.47%
Crude Oil	71.81	0.26	0.36%

ANALYSIS

The dollar rupee exchange rate indicates a likelihood of the dollar remaining strong. Investors are closely monitoring the ongoing U.S. debt ceiling negotiations between President Joe Biden and the top congressional Republican, as the lack of progress in reaching a deal is causing uncertainty and keeping the dollar supported. This uncertainty is also reflected in the dollar's recent rise to a six-month high against the yen.

Furthermore, market expectations are growing that U.S. interest rates will remain elevated for a longer period. Several influential figures within the Federal Reserve expressed their views on Monday, suggesting that the central bank may still have further room to tighten its monetary policy. Minneapolis Fed President Neel Kashkari highlighted the possibility of U.S. rates surpassing 6% to bring inflation back to the Fed's target of 2%. Similarly, St. Louis Fed President James Bullard indicated the potential for another half-point rate hike this year.

The sentiment in money markets aligns with these expectations, as there is now a approximately 26% chance priced in for another 25-basis-point rate increase by the Fed next month, up from 20% a week ago, according to the CME FedWatch tool. Moreover, the anticipated rate cuts later this year have been scaled back, with market participants now foreseeing rates to hold steady at around 4.7% by December.

Taking all these factors into consideration, the dollar rupee is likely to remain on an upward trajectory due to the prevailing focus on the prolonged U.S. debt ceiling discussions, the potential for higher U.S. interest rates, and the associated fragility in risk sentiment.

LEVELS FOR THE DAY

Currency	Day's Trend	S3	S2	S1	Pivot	R1	R2	R3
\$ USD-INR	SIDEWAYS TO POSITIVE	82.6308	82.6842	82.7758	82.8292	82.9208	82.9742	83.0658
€ EUR-INR	SIDEWAYS TO NEGATIVE	89.2850	89.3875	89.5350	89.6375	89.7850	89.8875	90.0350
£ GBP-INR	SIDEWAYS	102.5558	102.7067	102.9458	103.0967	103.3358	103.4867	103.7258
¥ JPY-INR	NEGATIVE	59.9183	60.0092	60.0708	60.1617	60.2233	60.3142	60.3758



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Economic Data						
IST	Currency	EVENT	Previous	Forecast	SMC Forecast	Impact
6:30 PM	USD	Fed Logan Speech				Neutral for USD
7:15 PM	USD	S&P Global Services PMI Flash MAY	53.6	52.6	53	Neutral for USD
7:15 PM	USD	S&P Global Manufacturing PMI Flash MAY	50.2	50	50.3	Neutral for USD
7:30 PM	USD	New Home Sales MoMAPR	0.096		-0.02	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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