



# FX DAILY DOSSIER

May 29, 2023

## Major Currencies Pairs

Currency	Value	Change	Net Change
EUR-USD	1.0732	0.0003	0.03%
USD-JPY	140.53	-0.12	-0.08%
GBP-USD	1.2351	0.0001	0.01%
US Dollar Index	104.16	-0.05	-0.04%

## INR Currencies pairs

Currency	Value	1 Week	Net Change
\$ USD-INR	82.6075	0.0000	0.00%
€ EUR-INR	88.7950	0.0000	0.00%
£ GBP-INR	102.2725	0.0000	0.00%
¥ JPY-INR	59.1425	0.0000	0.00%

## Major Asian Equities

INDEX	Value	Change	Net Change
Asia Dow	3,397.58	26.72	0.79%
Nikkei 225	31,325.84	409.53	1.32%
Hang Seng	18,691.02	-55.9	-0.30%
Shanghai	3,218.26	5.76	0.18%
Sensex	62,501.69	629.07	1.02%
Singapore	3,216.12	8.73	0.27%

## Major Future Contracts

Future Contracts	Value	Change	Net Change
DJIAFUT	33,193	68	0.21%
S&P FUT	4,225.00	11.75	0.28%
NASDAQ FUT	14,398.50	66	0.46%
Gold	1,943.80	-0.5	-0.03%
Silver	23.395	0.035	0.15%
Crude Oil	73.39	0.72	0.99%

## ANALYSIS

### Potential Impact of US Debt-Ceiling Deal on Currency Markets:

The US debt-ceiling deal is currently under consideration in the US Congress, with a tentative agreement to raise the debt limit until the next US Presidential election in November 2024. While details of the deal are yet to be finalized, preliminary projections suggest potential consequences for the currency market.

### Key Findings:

#### US Treasury Supplies and Yield Surge:

If the debt-ceiling deal is passed, the US Treasury will increase the supply of Treasury securities, resulting in a surge in yields, particularly the UST 2-year yield. This rise in yields is likely to push up borrowing costs in the US.

#### Strengthening US Dollar:

Inevitably, higher US yields and increased borrowing costs will contribute to the strengthening of the US Dollar. Investors seeking higher returns are likely to be attracted to the US market, further bolstering the currency's value.

#### Euro and Pound Decline:

Anticipated T-bill issuances in the US may lead to a decline in the euro and pound. Markets could shift their focus towards the US Dollar, impacting the relative strength of these currencies.

#### Indian Rupee Support and Limited Strength:

While the Indian Rupee may receive some support, the prevailing strength of the US Dollar is expected to keep it lower in the currency market. The rupee's value could hover within a range of 82.30 to 82.80 against the US Dollar.

#### Weakening Japanese Yen:

The Japanese yen (JPY) is likely to weaken significantly against the US Dollar if the debt-ceiling deal is approved. The USDJPY exchange rate may surpass 142.00, while JPYINR could fall below 58.00.

## LEVELS FOR THE DAY

Currency	Day's Trend	S3	S2	S1	Pivot	R1	R2	R3
\$ USD-INR	SIDEWAYS	82.3583	82.4642	82.5358	82.6417	82.7133	82.8192	82.8908
€ EUR-INR	SIDEWAYS TO NEGATIVE	88.2225	88.4150	88.6050	88.7975	88.9875	89.1800	89.3700
£ GBP-INR	SIDEWAYS TO NEGATIVE	101.6783	101.8242	102.0483	102.1942	102.4183	102.5642	102.7883
¥ JPY-INR	SIDEWAYS TO NEGATIVE	58.8983	59.0092	59.0758	59.1867	59.2533	59.3642	59.4308



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Economic Data						
IST	Currency	EVENT	Previous	Forecast	SMC Forecast	Impact
2:30 PM	EUR	Economic Sentiment MAY	99.3	98.9	99.5	Neutral for EUR
6:30 PM	USD	S&P/Case-Shiller Home Price YoY MAR	0.40%	-1.60%	-0.70%	Neutral for USD
7:30 PM	USD	CB Consumer Confidence MAY	101.3	99.1	100	Neutral for USD
8:00 PM	USD	Dallas Fed Manufacturing Index MAY	-23.4		-25	Neutral for USD

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