

KEY HEADLINES:

The Indian rupee against the US dollar ended sharply lower on Tuesday to break 9-days winning streak due to sharp recovery in dollar index towards 1-month high as well US treasury yield which prompted short covering in local unit despite expected overseas funds flow on ongoing rally in equity market as well bond index.

The rupee at NSE Future 29 Jan. ended down by 24 paise at 83.16 against previous close of 82.92 and after making low of 82.94 and high of 83.17. The offshore Chinese yuan dropped to 7.1950 to the dollar, the lowest in more than a month, while the Korean won fell 0.8% to the lowest since the first week of November..

Investors are betting that India's rupee will break out of its narrow range and rally this year, and are expressing that view via currency options.

Foreign portfolio investors (FPI) made record monthly purchases of Indian equities totalling 661.35 billion rupees (\$8 billion) in December, NSDL data shows, but the rupee was unable to gain much as the Reserve Bank of India likely stepped in to absorb large inflows. FPIs bought shares worth 427.33 billion rupees in the first half of December, marking a fortnightly record, driven by lower U.S. bond yields amid expectations of interest rate cuts by US FED.

Foreign investment in Indian government bonds saw a remarkable jump in the last three months of 2023, with JPMorgan's decision to add the debt to its indexes boosting inflows to a six-year high. Overseas investors net bought government bonds worth 350 billion rupees (\$4.2 billion) in October-December, pushing the full-year tally to 598 billion rupees, the highest since 2017, clearing house data showed.

The dollar jumped in a volatile session on Tuesday as investors dialed back expectations for a March rate cut from the U.S. Federal Reserve, fueled in part by comments by Board Governor Christopher Waller.

The dollar index, which tracks the greenback against a basket of currencies of other major trading partners, was up 0.73% at 103.38, after climbing as high as 103.42, its highest level since Dec. 13. The index was on track for its biggest one-day percentage gain since Jan. 2. The euro was down 0.72% at \$1.0869 and poised for its steepest one-day percentage drop in two weeks. The dollar was 1.04% higher against the Japanese yen, at 147.26, after hitting 147.31, matching its highest level since Dec. 7.

Markets are pricing in a 66.9% chance of a rate cut of at least 25 basis points (bps) in March from the Fed, compared with an 81% view in the prior session according to CME's FedWatch tool.

In the broader market, traders also watch out for UK inflation, jobs data and retail sales due later in the week, as markets continue to focus on how soon major central banks globally could begin easing rates this year.

In cryptocurrencies, bitcoin rose 1.39% to \$43,272. It has fallen about 6% since the Securities and Exchange Commission said it approved 11 applications for the first U.S.-listed exchange traded funds (ETFs) to track bitcoin.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Industrial Production y/y	CNY	6.6%	6.6%	HIGH

GDP q/y	CNY	5.3%	4.9%	HIGH
WEF Annual Meetings				
Retail Sales m/m	USD	0.4%	0.3%	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	83.16	82.80	82.30	83.25	83.55	BEARISH
EURINR FUTURE	90.53	90.45	89.90	90.95	91.40	BEARISH
GBPINR FUTURE	105.02	104.90	104.40	105.80	106.50	BEARISH
JPYINR FUTURE	56.85	56.80	56.0	57.60	58.20	BEARISH

Technical Research Analyst

Vibhu Ratandhara

Disclosure:

M/s. Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The Analysts engaged in preparation of this Report or his/her relative: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report. The Analysts engaged in preparation of this Report:- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

M/s. Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No. INH100001666 and research analyst engaged in preparation of report

Disclaimer:

This research report has been published by M/s. Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared

on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of M/s. Bonanza portfolio Ltd shall be liable. Research report may differ between M/s. Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the Subject Company or third party in connection with the research report

M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate.
Walbhat Road, Goregaon (E), Mumbai – 400063 Web site:

<https://www.bonanzaonline.com>

SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186