

KEY HEADLINES:

The Indian rupee spot against the US dollar ended almost flat on Monday on choppy session, as support seen from broad based fall in dollar index & firm equity market hope inflows while pressure seen from middle east conflicts and dollar demand from foreign banks.

The rupee at NSE Future 26 June-25. ended gain by 6 paise at 86.09 against previous close of 86.15 and after make low of 85.97 and high of 86.26. The 1-year implied yield was down 5 basis points at 1.83%, weighed by an uptick in near-tenor U.S. Treasury yields and exporter hedging. The offshore Chinese yuan rose 0.1% while the Thai baht declined by about 0.3%.

India and the U.S. aim to sign an interim trade deal before July 9, an Indian trade ministry official said on Monday.

India's merchandise trade deficit narrowed sharply to \$21.88 billion in May, aided by a slowdown in imports along with seasonal improvement in exports, government data released on Monday showed. The trade deficit was lower than the \$25 billion expected by economists in a Reuters poll, and below April's deficit of \$26.42 billion. India's goods exports stood at \$38.73 billion in May while imports were \$60.61 billion, compared with \$38.49 billion of exports and \$64.91 billion of imports in April. India's crude oil imports fell to \$14.7 billion in May against \$20.72 billion in April. Gold imports fell to \$2.5 billion in May from \$3.1 billion in the previous month. India's exports to the United States expanded in April-May to \$17.25 billion, up from \$14.17 billion a year earlier, suggesting that the U.S. tariff hikes averaging 10% in early April had a limited impact.

India's wholesale inflation in May slowed to 0.39% year-on-year from 0.85% in April, government data showed on Monday. Wholesale inflation in May was lowest since 0.26% recorded in March 2024.

Worries about the economic impact of U.S. trade policies have continued to weigh on the dollar, which is down by around 9% against major peers over the year so far. A 90-day pause on U.S. reciprocal tariffs is set to elapse in early July but legal back-and-forth on the viability of the broad-based levies may continue to keep uncertainty elevated.

The Bank of Japan is expected to deliver its interest rate decision at the end of its two-day meeting on Tuesday, with traders largely pricing in no change to policy.

The Fed next meets on June 17-18, when the central bank will release new projections from policymakers about their outlook for inflation, employment and economic growth in coming months and years, and the projected interest rate they feel would be appropriate.

The BoE is due to meet this week and is expected to keep the interest rate unchanged. Money market traders are pricing in about 48 basis points of cuts by year-end, up from about 39 bps before the data. Central banks in Switzerland, Sweden and Norway are also slated to unveil their policy decisions this week.

The dollar was softer in choppy trading on Monday, as investors monitored the fighting between Israel and Iran for signs that it could escalate into a broader regional conflict and braced for a week packed with central bank meetings.

The dollar, which until recently had always been the ultimate safe haven in times of geopolitical or financial turmoil, slipped 0.3% to 143.73 Japanese yen after rising nearly 0.4% earlier on Monday. The euro rose 0.5% to \$1.1604. The U.S. currency was also softer against the Swiss franc at 0.8104 franc, while an index that measures the dollar against six peers declined 0.5% to 97.74.

In light of the signs of easing trade tensions, markets have dialed back expectations for rate cuts from the U.S. Federal Reserve this year, pricing in a 68% chance for the first cut of at least 25 basis points (bps) at the central bank's September meeting, according to LSEG data. The prior view was for a likely cut in July.



Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
BOJ Policy Rate	JPY	0.50%	0.50%	HIGH
Retail Sales m/m	USD	-0.5%	0.1%	HIGH

Support Resistance Levels – Currency Future: (NSE CUR - 26 June 25)

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	86.09	85.45	84.90	86.30	87.0	SIDEWAYS
EURINR FUTURE	99.77	99.0	98.20	100.0	101.0	BULLISH
GBPINR FUTURE	116.95	116.20	115.50	117.10	118.0	BULLISH
JPYINR FUTURE	59.76	59.0	58.50	60.30	61.0	SIDEWAYS

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

Bonanza Research Team4

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 sent 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