

## **KEY HEADLINES:**

The Indian rupee spot against the US dollar end 3<sup>rd</sup> straight day at life time closing low on Wednesday, after strong dollar demand from foreign bank on behalf of importers added by widening trade deficit of India, sell off in equity might turn into outflow and rise in US Bond Yield pressure domestic currency. However, likely RBI intervention at lower level support rupee from sharp fall.

The rupee at NSE Future 27 Dec. ended fall by 2 paise at 85.01 against previous close of 84.99 and after make low of 84.99 and high of 85.81. Weakness in regional currencies ahead of the Federal Reserve's policy decision due in U.S. trading hours also hurt the rupee alongside speculative dollar bids amid a lingering bearish bias on the local unit.

Fed cut interest rates straight 3<sup>rd</sup> time by 25 bps to 4.25-4.50% range on Wednesday. Fed projection shows 4.3% unemployment rate at end of 2025 versus 4.4% in September projections and End-2025 the Personal Consumption Expenditures inflation at 2.5% versus 2.1% in September; core inflation seen at 2.5% versus 2.2%. While 2.1% GDP growth in 2025 versus 2.0% in September, see longer-run growth at 1.8%, unchanged from September. The FED has issued fresh projections calling for two quarter-point interest-rate cuts next year amid rising inflation. The projections show policymakers see the benchmark lending rate ending 2025 in the 3.75%-4.00% range. By the end of 2026, the policy rate will be another 50 basis points lower, at 3.4%, according to the median of policymaker projections, still above the median Fed policymaker's revised 3% estimate of a neutral rate.

U.S. rate futures price in a more than 90% chance that the Fed will hold rates at its January meeting

The dollar index has risen over 3% since the Nov. 5 election. Measures from the U.S. President-elect -- including tariffs and tax cuts -- should put upward pressure on inflation and bond yields while limiting the Fed's scope to ease policy and supporting the greenback. Despite the pressures, the rupee has fared better than most of its regional peers since then, on the back of routine interventions by the Reserve Bank of India. The local unit is down 0.9%, while its peers have weakened between 1.8% and 4.4%.

India's merchandise trade rose to \$37.84 billion in November, according to a Reuters calculation based on export and import data released by the government. Economists had expected the deficit to be \$23.9 billion, according to a Reuters poll. In October, the

merchandise trade deficit stood at \$27.14 billion.

For India, between now and the next rate meeting in February, the new Governor's views on liquidity, currency management and macro-prudential measures will be watched closely.

The U.S. dollar advanced against its peers on Wednesday ahead of the Federal Reserve's monetary policy decision later in the session, with markets expecting the central bank to deliver its third consecutive interest rate cut.

The dollar strengthened 0.04% to 0.89285 against the Swiss franc in choppy trading. The euro was down 0.16% at \$1.0474. The U.S. dollar index , which measures the greenback against six rivals, was up 0.19% at 107.13, after hovering near a three-week high. The dollar strengthened 0.39% to 154.055 against the Japanese yen. The offshore yuan traded at 7.296 per dollar on Tuesday, holding steady near a 13-month low against the dollar.

The Canadian dollar weakened to nearly a 5-year low against its U.S. counterpart on Tuesday, hurt by domestic political unrest as well as a wider gap between Canadian and U.S. bond yields after data showed a surprise easing of Canadian inflation.

Bitcoin retreated from recent highs. The world's largest cryptocurrency fell 2.06% to \$104,227.

### **Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
BOJ Policy Rate	JPY	0.25%	0.25%	HIGH
Official Bank Rate	GBP	4.75%	4.75%	HIGH
Final GDP q/q	USD	2.8%	2.8%	HIGH
Existing Home Sales	USD	4.09M	3.96M	HIGH


### **Support Resistance Levels – Currency Future: ( NSE CUR - 27 Dec 24)**

Currency	LTP	S1	S2	R1	R2	Trend
<b>USDINR FUTURE</b>	<b>85.01</b>	<b>84.70</b>	<b>84.30</b>	<b>85.10</b>	<b>85.50</b>	<b>BULLISH</b>
<b>EURINR FUTURE</b>	<b>89.30</b>	<b>88.75</b>	<b>88.30</b>	<b>89.90</b>	<b>90.50</b>	<b>BEARISH</b>
<b>GBPINR FUTURE</b>	<b>108.05</b>	<b>107.10</b>	<b>106.10</b>	<b>108.75</b>	<b>109.50</b>	<b>BULLISH</b>
<b>JPYINR FUTURE</b>	<b>56.31</b>	<b>55.80</b>	<b>54.80</b>	<b>56.60</b>	<b>57.30</b>	<b>BEARISH</b>

### **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 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