Date: 28 Aug 2025

Daily Forex Insight

KEY HEADLINES:

The Indian rupee spot against the US dollar end lower on consecutive 5th day, at 3-week low on Tuesday, after U.S confirm it will impose extra 25% tariff from 27-Aug added by outflows concern after sell off in equity market and despite subdued dollar index & fall in Crude oil prices.

The rupee at NSE Future 26 Sep-25. ended lower by 10 paise at 87.81 against previous close of 87.71 and after make low of 87.76 and high of 87.94. Rupee came within striking distance of its lifetime low of 87.95 hit in February.

U.S. President Donald Trump's doubling of tariffs on imports from India to as much as 50% took effect as scheduled on Wednesday, dealing a serious blow to ties between the two countries that became strategic partners after the turn of this century. A punitive 25% tariff imposed due to India's purchases of Russian oil adds to Trump's prior 25% tariff on many imports from the South Asian nation and is expected to hurt growth in the world's fastest growing major economy The U.S. move takes total duties to as high as 50% for goods such as garments, gems and jewellery, footwear, sporting goods, furniture and chemicals - among the highest imposed by the U.S. and on par with Brazil..

An additional 25% tariff likely to reduce Indian exports, widen the trade deficit, and add further stress to the rupee.

Credit-rating firm Fitch maintained India's sovereign rating at 'BBB-' on Monday, citing levels of fiscal deficits and debt that are still high, crushing the government's hopes for a lift in ratings by all three major providers. This month, S&P upgraded India to 'BBB', its first such upgrade in 18 years, prompting the government to respond that it expected other rating houses to follow suit. Fitch has rated India at 'BBB-' since 2006, while Moody's has retained its 'Baa3' rating since June 2020. India's government debt burden is "elevated" at its estimate of 80.9%, "well above the 59.6% 'BBB' median", Fitch said, and forecast a slight rise in debt to 81.5% in fiscal 2026.

The dollar clung to gains against the euro and the yen on Wednesday, paring much of the strength made earlier in the day as investors focused on upcoming U.S. economic data for policy cues, even as worries persist over the Federal Reserve's independence.

The euro touched its weakest level since August 6 and was last down 0.09% at $1.1631. Sterling eased up 0.12% to $1.3496, while the dollar slipped against the Swiss franc

0.14%, and was flat versus the Japanese yen at 147.445. the dollar index, which measures the greenback against a basket of currencies, alternated between gains and losses and was last up 0.02% at 98.227.

Measured against a basket of six major currencies , the dollar has weakened by more than 9% this year. The euro has been the lead gainer in the basket with a climb of more than 12%.

Upcoming data points which could influence the central bank's policy path include the Fed's preferred inflation gauge, the PCE price index, on Friday, and monthly payrolls figures for August, due a week later.

Markets are now pricing an 84% chance the Fed will ease rates by a quarter-point next month from 95% last week before PPI numbers, according to CME's FedWatch, with just under 60 basis points worth of cuts expected by December, implying two 25 basis point cuts and a 40% chance of a third. Markets are pricing in a cumulative 14 basis point decline in ECB rates by the end of 2026, with hikes expected in late 2026 and 2027, compared to expectations of 130 basis points in Fed rate cuts in the same time frame.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact

Prelim GDP q/q	USD	3.1%	3.0%	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	87.81	87.35	87.0	88.10	88.80	BULLISH
EURINR FUTURE	102.41	101.80	101.30	103.0	103.70	BULLISH
GBPINR FUTURE	118.41	117.75	117.0	118.60	119.50	SIDEWAYS
JPYINR FUTURE	61.70	61.0	60.40	62.50	63.10	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 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